

By: Bell of Montgomery

H.B. No. 3745

A BILL TO BE ENTITLED

AN ACT

relating to the Texas emissions reduction plan fund and account.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 386.001, Health and Safety Code, is amended by adding Subdivision (1) and amending Subdivision (5) to read as follows:

(1) "Account" means the Texas emissions reduction plan account established under Section 386.251.

(5) "Fund" means the Texas emissions reduction plan fund established under Section 386.250.

SECTION 2. Section 386.057(c), Health and Safety Code, is amended to read as follows:

(c) For projects funded as part of the infrastructure program under Subchapter C, the report must:

(1) describe and evaluate:

(A) the infrastructure facilities funded under that subchapter;

(B) the degree to which the funded facilities are supporting on-road or non-road diesel projects;

(C) the amount of fuel or electricity dispensed for each facility; and

(D) associated emissions reductions and cost-effectiveness; and

(2) make a finding regarding the need for additional

1 appropriations from the account [~~fund~~] to improve the ability of
2 the program to achieve its goals.

3 SECTION 3. The heading to Subchapter F, Chapter 386, Health
4 and Safety Code, is amended to read as follows:

5 SUBCHAPTER F. TEXAS EMISSIONS REDUCTION PLAN FUND AND ACCOUNT

6 SECTION 4. Subchapter F, Chapter 386, Health and Safety
7 Code, is amended by adding Section 386.250 to read as follows:

8 Sec. 386.250. TEXAS EMISSIONS REDUCTION PLAN FUND. (a) The
9 Texas emissions reduction plan fund is established as a trust fund
10 to be held by the comptroller and administered by the commission as
11 trustee. Money in the fund may be spent without legislative
12 appropriation and may be used only as provided by this chapter.
13 Interest and other earnings on the balance of the fund shall be
14 credited to the fund.

15 (b) The fund consists of:

16 (1) the amount of money deposited to the credit of the
17 fund under:

18 (A) Section 386.056;

19 (B) Sections 151.0515 and 152.0215, Tax Code; and

20 (C) Sections 501.138, 502.358, and 548.5055,

21 Transportation Code; and

22 (2) grant money recaptured under Section 386.111(d)
23 and Chapter 391.

24 (c) Not later than the 30th day after the last day of each
25 state fiscal biennium, the commission shall transfer the
26 unencumbered balance of the fund remaining on the last day of the
27 state fiscal biennium to the credit of the Texas emissions

1 reduction plan account.

2 SECTION 5. Section 386.251, Health and Safety Code, is
3 amended to read as follows:

4 Sec. 386.251. TEXAS EMISSIONS REDUCTION PLAN ACCOUNT
5 [~~FUND~~]. (a) The Texas emissions reduction plan account [~~fund~~] is
6 an account in the state treasury.

7 (b) The account [~~fund~~] is administered by the commission for
8 the benefit of the plan established under this chapter. The account
9 [~~fund~~] is exempt from the application of Section 403.095,
10 Government Code. Interest earned on the account [~~fund~~] shall be
11 credited to the account [~~fund~~].

12 (c) The account [~~fund~~] consists of its accumulated balance
13 and [~~+~~

14 [~~(1)~~] the amount of money transferred to the account
15 under Section 386.250(c) [~~deposited to the credit of the fund~~
16 ~~under:~~

17 [~~(A)~~ Section 386.056,

18 [~~(B)~~ Sections 151.0515 and 152.0215, Tax Code,

19 and

20 [~~(C)~~ Sections 501.138, 502.358, and 548.5055,

21 Transportation Code, and

22 [~~(2)~~ grant money recaptured under Section 386.111(d)

23 and Chapter 391].

24 SECTION 6. The heading to Section 386.252, Health and
25 Safety Code, is amended to read as follows:

26 Sec. 386.252. USE OF FUND AND ACCOUNT.

27 SECTION 7. Sections 386.252(a), (b), (e), (f), (g), and

1 (h), Health and Safety Code, are amended to read as follows:

2 (a) Money in the fund and account may be used only to
3 implement and administer programs established under the
4 plan. Subject to the reallocation of funds by the commission under
5 Subsection (h), money from the fund and account [~~appropriated to~~
6 ~~the commission~~] to be used for the programs under Section
7 386.051(b) shall initially be allocated as follows:

8 (1) four percent may be used for the clean school bus
9 program under Chapter 390;

10 (2) three percent may be used for the new technology
11 implementation grant program under Chapter 391, from which at least
12 \$1 million will be set aside for electricity storage projects
13 related to renewable energy;

14 (3) five percent may be used for the clean fleet
15 program under Chapter 392;

16 (4) not more than \$3 million may be used by the
17 commission to fund a regional air monitoring program in commission
18 Regions 3 and 4 to be implemented under the commission's oversight,
19 including direction regarding the type, number, location, and
20 operation of, and data validation practices for, monitors funded by
21 the program through a regional nonprofit entity located in North
22 Texas having representation from counties, municipalities, higher
23 education institutions, and private sector interests across the
24 area;

25 (5) 10 percent may be used for the Texas natural gas
26 vehicle grant program under Chapter 394;

27 (6) not more than \$6 million may be used for the Texas

1 alternative fueling facilities program under Chapter 393, of which
2 a specified amount may be used for fueling stations to provide
3 natural gas fuel, except that money may not be allocated for the
4 Texas alternative fueling facilities program for the state fiscal
5 year ending August 31, 2019;

6 (7) not more than \$750,000 may be used each year to
7 support research related to air quality as provided by Chapter 387;

8 (8) not more than \$200,000 may be used for a health
9 effects study;

10 (9) at least \$6 million but not more than \$8 million
11 may be used by [~~is allocated to~~] the commission for administrative
12 costs, including all direct and indirect costs for administering
13 the plan, costs for conducting outreach and education activities,
14 and costs attributable to the review or approval of applications
15 for marketable emissions reduction credits;

16 (10) six percent may be used by the commission for the
17 seaport and rail yard areas emissions reduction program established
18 under Subchapter D-1;

19 (11) five percent may be used for the light-duty motor
20 vehicle purchase or lease incentive program established under
21 Subchapter D;

22 (12) not more than \$216,000 may be used by [~~is~~
23 ~~allocated to~~] the commission to contract with the Energy Systems
24 Laboratory at the Texas A&M Engineering Experiment Station annually
25 for the development and annual computation of creditable statewide
26 emissions reductions obtained through wind and other renewable
27 energy resources for the state implementation plan;

1 (13) not more than \$500,000 may be used for studies of
2 or pilot programs for incentives for port authorities located in
3 nonattainment areas or affected counties to encourage cargo
4 movement that reduces emissions of nitrogen oxides and particulate
5 matter; and

6 (14) the balance is to be used by the commission for
7 the diesel emissions reduction incentive program under Subchapter C
8 as determined by the commission.

9 (b) Money in the fund and account may be used by the
10 commission for programs under Sections 386.051(b)(13), (b)(14),
11 and (b-1) [~~as may be appropriated for those programs~~].

12 (e) Money in the fund and account may be used [~~allocated~~]
13 for administrative costs incurred by the Energy Systems Laboratory
14 at the Texas A&M Engineering Experiment Station [~~as may be~~
15 ~~appropriated by the legislature~~].

16 (f) Not [~~To the extent that money is appropriated from the~~
17 ~~fund for that purpose, not~~] more than \$2.5 million from the fund and
18 account may be used by the commission to conduct research and other
19 activities associated with making any necessary demonstrations to
20 the United States Environmental Protection Agency to account for
21 the impact of foreign emissions or an exceptional event.

22 (g) The [~~To the extent that money is appropriated from the~~
23 ~~fund for that purpose, the~~] commission may use [~~that~~] money from the
24 fund and account to award grants under the governmental alternative
25 fuel fleet grant program established under Chapter 395, except that
26 the commission may not use for that purpose more than three percent
27 of the balance of the fund as of September 1 of each state fiscal

1 year of the biennium for the governmental alternative fuel fleet
2 grant program in that fiscal year.

3 (h) Subject to the limitations outlined in this section [~~and~~
4 ~~any additional limitations placed on the use of the appropriated~~
5 ~~funds~~], money allocated under this section to a particular program
6 may be used for another program under the plan as determined by the
7 commission, based on demand for grants for eligible projects under
8 particular programs after the commission solicits projects to which
9 to award grants according to the initial allocation provisions of
10 this section.

11 SECTION 8. Section [395.011](#), Health and Safety Code, is
12 amended to read as follows:

13 Sec. 395.011. FUNDING. The legislature may appropriate
14 money to the commission from the Texas emissions reduction plan
15 account [~~fund~~] established under Section [386.251](#) to administer the
16 program.

17 SECTION 9. The amendments to Section [386.251](#), Health and
18 Safety Code, made by this Act do not affect the balance of the Texas
19 Emissions Reduction Plan Account No. 5071 remaining on the
20 effective date of this Act.

21 SECTION 10. This Act takes effect September 1, 2019.